

ANATOMY OF A DIAMOND STARTUP

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Abstract

Advanced Diamond Technologies, Inc. (ADT) was formed in December 2003 to commercialize the Ultrananocrystalline™ diamond (UNCD™) technology developed at Argonne National Laboratory. It took four months of a consultant's time to recommend a startup as the commercialization vehicle for UNCD, and over two years from that point until the company was formed with a license and financing. Since Argonne had never organically formed a startup before there were the usual policies and procedures that had to be followed and many more had to be created because there were no precedents.

In this talk, Neil Kane, former Co-Executive Director of the Illinois Technology Enterprise Center at Argonne, a partnership between the University of Chicago and the State of Illinois Dept. of Commerce and Economic Opportunity and co-founder of ADT, will illustrate the timelines and issues necessary to get a startup company formed from a federal laboratory or university setting. This will be a general purpose talk, using ADT as a case study, on the issues that need to be tackled to launch a startup out of an academic setting. Issues that will be addressed include:

- Allocation of founder's shares
- License terms
- Role of scientific/academic founders
- Business plan
- Conflicts of interest
- Corporate Governance issues
- Cultural issues
- Financing strategies and the role of federal contracts (SBIRs and STTRs)

Now that ADT is up and running, it hopes that it will contribute to the exciting endeavor of commercializing new technologies and enabling new products based on diamond films. It is hoped that by sharing the experience of what it took to get ADT off the ground, other efforts might be undertaken in other laboratory settings both in the U.S. and elsewhere in the world to commercialize emerging technologies.

REFERENCES

1. Kane, N.D.: "Rich of Famous: you choose," *Physics World*, March 2004.